

From: Eldon Ladd [eldon@secufcu.com]
Sent: Monday, February 02, 2009 6:59 PM
To: _Regulatory Comments
Subject: Comments on Advanced Notice of Propsed Rulemaking for Part 704

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1780 Fowler Street
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February 2, 2009

Mary Rupp
Secretary to the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Dear Ms. Rupp:

Dear Ms. Rupp,

Thank you to the NCUA board for prompt, decicisive action to preserve the credit union system.

I recognize the action necessary, but it is painful.

Who could have foreseen the financial crisis which is impacting financial institutions throughout the world?

After reading the NCUA Letter No. 09-CU-02, I was extremely disappointed that the NCUA elected to tax natural person credit unions with this financial burden. Most credit union CEO's have recently written to our members and ensured them that we are financially sound and safe. Now, our members are doubting our assurances, when reading the front page of the WSJ regarding the NCUA decision.

The impact to my small credit union will be that I will go from "well capitalized" to "adequately capitalized" due to the impact of NCUA guidance, as my equity will drop below 7%. This is very disturbing to me, as I have struggled to cut expenses, dividends, etc. to maintain my equity above 7%. In fact, I closed a branch office in September to improve my profitability and equity . Now the NCUA has negated what I have worked to hard to achieve.

I am requesting that the NCUA review their mandate and change their approach and request TARP funds to cover this shortfall, rather than taxing every credit union in America.

Another alternative, would be to transfer premiums from reserves instead of through the balance sheet. This would have less negative effect on our ROA, and wouldn't effect our net earnings.

Another option would be to make the write down portion a loan.

Thank you for your time and consideration.

Sincerely,

Eldon Ladd
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